



September 27, 2019

Sent via eFile

BC HYDRO F2020–F2021 REVENUE REQUIREMENTS EXHIBIT A-17

Mr. Fred James
Chief Regulatory Officer
Regulatory & Rates Group
British Columbia Hydro and Power Authority
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Vancouver, BC V6B 5R3
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Dear Mr. James:

Re: British Columbia Hydro and Power Authority – F2020–F2021 Revenue Requirements Application – Project No. 1598990 – Request for Comments on BC Hydro’s Performance Based Regulation Report Review Process

On February 25, 2019, the British Columbia Hydro and Power Authority (BC Hydro) submitted a report discussing, among other things, the opportunities and challenges associated with the adoption of Performance Based Regulation (PBR) at BC Hydro (PBR Report). The PBR Report was submitted to the British Columbia Utilities Commission (BCUC) as part of BC Hydro’s Fiscal 2020 to Fiscal 2021 (F2020–F2021) Revenue Requirements Application (Application) along with two expert reports regarding this topic.¹ This report was provided in response to a BCUC directive in its decision to BC Hydro’s F2017 to F2019 Revenue Requirements Application (RRA).² In the Application, BC Hydro states that this PBR report “provides initial conclusions in response to the issues the BCUC has asked BC Hydro to address” and further recommends that the BCUC use the current Application proceeding to “engage interveners to canvas their views.”³

The Panel notes BC Hydro’s recommendation to canvas interveners’ views and also recognizes the importance and complexities of this topic. Therefore, the Panel considers that a process separate from the current review process for the Application is prudent and efficient and thus recommends that the BCUC hold a separate proceeding to review BC Hydro’s PBR Report (PBR proceeding). To promote efficiency, the Panel also recommends that all interveners currently registered in BC Hydro’s F2020-F2021 RRA proceeding be automatically registered in the PBR proceeding. The Panel further recommends that all evidence currently on the evidentiary record of BC Hydro’s F2020-F2021 RRA proceeding that is directly related to the PBR Report be placed on the evidentiary record of the PBR proceeding.

Should BC Hydro or any interveners object to the Panel’s recommendations as stated above, we invite those parties to provide comments with specific reasons for the objection no later than Friday, October 4, 2019. Absent any substantive objections from parties, the Panel recommends that the BCUC proceed forthwith with

¹ Exhibit B-1, Application, Chapter 11, Appendix FF, GG.

² British Columbia Hydro and Power Authority F2017 to F2019 Revenue Requirements Application Decision dated March 1, 2018, Order G-47-18, p. 111.

³ Exhibit B-1, Application, p. 1-30.

the Panel's recommendations and further, schedule a procedural conference for the PBR proceeding on November 22, 2019, the same day as the currently scheduled F2020-F2021 RRA procedural conference.

Sincerely,

Original Signed By:

Patrick Wruck
Commission Secretary

YD/nd